

Message Text

CONFIDENTIAL

PAGE 01 STATE 033710

61

ORIGIN ARA-20

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00 AGR-20

CEA-02 CIAE-00 COME-00 DODE-00 EB-11 FRB-02 H-03

INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-04 RSC-01

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 PRS-01

SPC-03 FEA-02 OMB-01 SAM-01 /161 R

DRAFTED BY ARA/BR:JSLATTERY:CLJ

APPROVED BY EB/ITP:JCRENNER

EB/OT/STA:EWKEMPE

ARA/BR:LVPEREZ

TREAS:RSELF

ARA/LA:WGBOWDLER(SUBS)

----- 107128

O 201951Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA IMMEDIATE

INFO AMCONSUL RIO DE JANEIRO IMMEDIATE

AMEMBASSY MEXICO IMMEDIATE

C O N F I D E N T I A L STATE 033710

E.O. 11652: GDS

TAGS: ETRD, BR

SUBJECT: BRAZILIAN NOTE ON SHOES

MEXICO FOR KUBISCH, WEINTRAUB AND HENNESSY

1. CHARGE DINIZ CALLED ON DEPUTY ASSISTANT SECRETARY
RENNER FEBRUARY 19 TO PRESENT BRAZILIAN NOTE ON COUNTER-
VAILING COMPLAINT AGAINST BRAZILIAN SHOES. NOTE REITER-
ATED THAT COUNTERVAILING DUTIES ARE NOT REPEAT NOT JUSTI-
FIED BECAUSE (A) BRAZILIAN SUBSIDIES CONFORM TO GATT, (B)
GATT REQUIRES DETERMINATION OF INJURY TO DOMESTIC INDUSTRY
BEFORE IMPOSITION OF DUTIES, AND (C) IMPORTS FROM BRAZIL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 033710

REPRESENT ONLY SMALL PART OF TOTAL IMPORTS AND ARE EXPAND-

ING BY REPLACING OTHER IMPORTS, NOT DOMESTIC PRODUCTION.
NOTE ALSO EXPRESSED GOB CONCERN AT ANY RESTRICTION OF
MARKET ACCESS BUT STATED WILLINGNESS TO DISCUSS SUBSIDIES
WITHIN GATT MULTILATERAL TRADE NEGOTIATIONS. FULL
TEXT OF NOTE BEING POUCHED.

2. AFTER CHARGE PRESENTED ARGUMENTS CONTAINED IN NOTE,
RENNER POINTED OUT THAT USG MUST BE GOVERNED BY U.S. LEGIS-
LATION WHICH REQUIRES THAT WHERE THERE IS A BOUNTY OR GRANT
ON PRODUCTS IMPORTED INTO THE UNITED STATES A COUNTERVAIL-
ING DUTY MUST BE IMPOSED, AND WHICH, SINCE IT ANTEDATES
GATT, IS COVERED BY THE PROTOCOL OF PROVISIONAL APPLICATION.

DISCUSSIONS WITHIN GATT OF SPECIFIC COMPLAINTS, SUCH AS
THAT AGAINST BRAZIL, WOULD NOT REPEAT NOT BE PRODUCTIVE OR
HELPFUL IN RESOLVING THE ISSUES RELATED TO THOSE COM-
PLAINTS. HE AGAIN STRONGLY URGED GOB TO ENTER INTO TECH-
NICAL DISCUSSIONS, ALTHOUGH REALIZING DIFFICULTIES THAT
TRANSITION TO NEW ADMINISTRATION POSES FOR GOB. RENNER
ALSO NOTED THAT EXCHANGE OF INFORMATION ABOUT NATURE OF
BRAZILIAN SUBSIDIES MIGHT ASSIST NEW ADMINISTRATION IN
DECIDING WHETHER IT MIGHT WANT TO CHANGE ANY OF ITS
PROGRAMS. TECHNICAL DISCUSSIONS WOULD ALSO BE HELPFUL
TO GOB, SINCE TREASURY MUST EVENTUALLY MAKE DETERMINATION
ON COMPLAINT, ON BASIS OF INCOMPLETE OR POSSIBLY BIASED
INFORMATION PROVIDED BY U.S. INDUSTRY IF NO OTHER INFORMA-
TION AVAILABLE. WITHOUT SPECIFYING ANY TIMETABLE RENNER
WARNED CHARGE THAT SINCE WE HAVE THUS FAR BEEN UNABLE TO
OBTAIN BRAZILIAN AGREEMENT TO DISCUSS FACTS OF CASE, WE
WILL HAVE TO PROCEED TO THE NEXT STAGE IN VERY NEAR
FUTURE. RUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOTWEAR, IMPORTS, SHOES, SUBSIDIES, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE033710
Document Source: CORE
Document Unique ID: 00
Drafter: JSLATTERY:CLJ
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740220/aaaaaszs.tel
Line Count: 92
Locator: TEXT ON-LINE
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by kelleyw0>; APPROVED <09 DEC 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BRAZILIAN NOTE ON SHOES MEXICO FOR KUBISCH, WEINTRAUB AND HENNESSY
TAGS: ETRD, BR
To: BRASILIA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005